### Approved For Release 2001/03/30 : CIA-RDP61-00274A000100040002-1

# CONFIDENTIAL

SUBJECT: Management Study of Finance Division, Office of the Comptroller

CONCURRENCE:

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EDWARD R. SAUNDERS Comptroller AUG 22 1955

Date

ACTION BY APPROVING AUTHORITY:

APPROVED: SEP 26 1956

Deputy Director (Support)

\* I concur in the report as prepared, but I may want to defer action for a while on setting up the Industrial Contract Audit Branch as a Division under the Comptroller. A new man has been recruited to head up the Industrial Contract Audit Branch, and it may be advisable to defer an organizational change until the new man has had an opportunity to acquaint himself with the operations of the Agency.

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### Lactions.

### Office of the Chief

- 1. Responsible for the administration of all confidential funds.
- 2. Directs inspections of foreign stations for financial administrative review and guidance of confidential funds activities.
- 3. Advises the DF Carper Service Board on training, assignment, and rotation of foreign and demostic Finance employees.

### New latry falt

- 1. Waintains files and correspondence relating to covert financial activities.
- 2. Receives and disputehes all mail and peach material for the Division.
- 3. Performs logging, recording, and reading functions accessary for proper control of documents within the Division.





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### Menute Teres

- 1. Devices and relateins Cimposial records and accounts on all a rest financial support.
- 2. Property periodic financial reports, belance encets and statements on combined covert financial sperations.
- 3. Prepared Cinemotal report for administrative use of operating divisions.
- h. Reviews monthly financial reports from Class & field stations and prepares the necessary instructions to overseas stations to implement accounting pullvier and procedures.
- 5. Maintains follow-up on all delia ment personal advances made to Aceney am loyes.

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- 6. Reviews (immedal statements determines the change in gency equity and other activities affecting the Agency accounts; and properse appropriate entries for the accounting records.
- 7. Refermines that figureial statements are in accordance with the administrative plan both as to form and content.

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9. Advisos all components of Finance Sivision as to the application and interpretation of setounting noticy and procedures.

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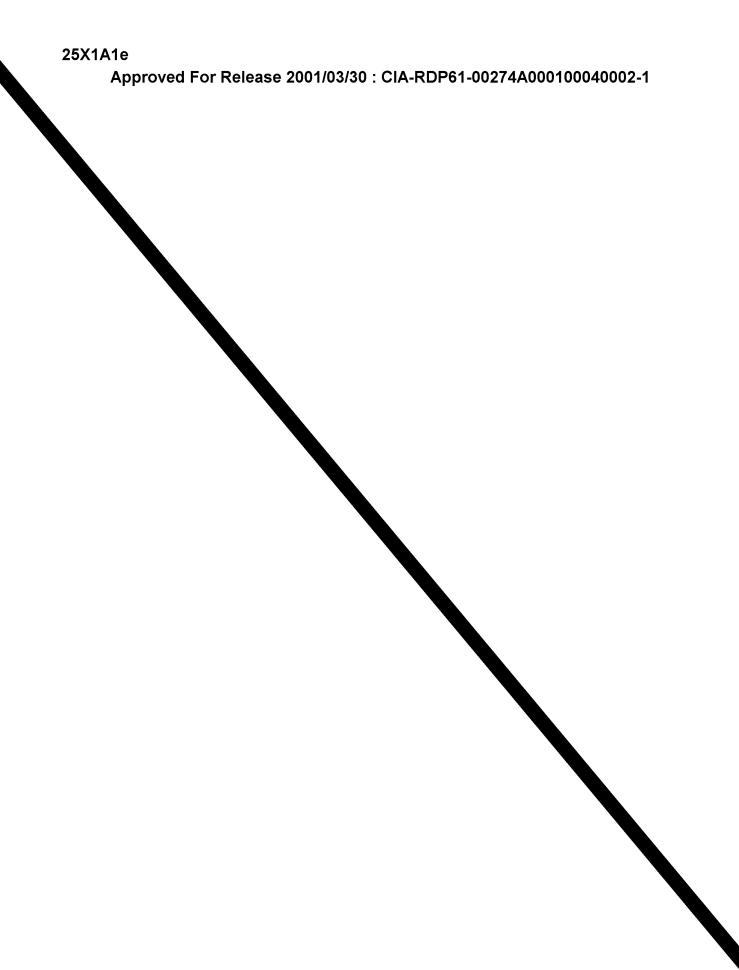
### PRINTERS AND LINES TROOP

- i. Essures that confidential funds are made available is an offective, timely and ecours memor and that control and accountings for each funds is of such a character as to protect the livestor in the discharges of his responsibilities for the proper expenditure of confidential funds under Fabile Lev 110.
- 2. Assists and advises officials and exployees of covert activities relative to financial projectures, implications and place in connection with covert projects and operations.
- 3. Initiates, develops and epordinates regulations, instructions and criteria on covert financial support functions.
- h. Assists and coordinates with Total and operating divisions in the development of financial guides and standards for application

# covologment of limenetal farme and standards for application

- 5. Coordinates finance training program for personnel the will in some degree bandle confidential funde finance matters.
- 6. Audite and cortilies vouchors, accountings and claims pertaining to confidential funds.
- 7. Performs all payrull and allowage functions for Staff Agents, Contract Agents, Contract replayees and Military personnel paid from confidential funds.

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- 1. Maintaine individual payrell, leave and allowance films and records as all Staff employees paid from anyouchered funds.
- 2. Audite time and attendance reports submitted by operating units on Staff employees.
- 3. Property confidential funds paymble on "leff employees and distributes checks.
- h. Poste and recompiles payments of salary and allowances made at foreign stations.
- 5. Heintains tax and retirement accounts on all Staff employees said from confidential fonds.
- 6. Prepares portadis financial reports on payroll matters.
- 7. Audits and certifies travel vandhers for both divilian and mili-

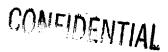
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### Sasetti case

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- 1. Furtorms audit services in suspection with proposed, current, completed, and terminated montracts except those for personal services.
- 2. And to contractors' vonches in the light of agency contracts and condents thereto.
- 3. Establishes accounting procedures and instructions for contracture regarding billing and accounting requirements.
- i. Offects properly authorized payments to contractors on a timely casis in accordance with the terms and conditions of the contracts and exendents.
- 5. Assists the Logisties office in maintaining equitable and cooperative velationships with contractors.
- 5. Performs such internal audit of the financial operations and records of the gency as disputed by the Comptroller.



### FUNCTIONAL AND PROCEDURAL CHANGES MADE DURING SURVEY

## 1. DECREASE IN THE ELAPSED TIME REQUIRED FOR RECORDING FINANCIAL TRANSACTIONS

A schedule was established which will reduce the elapsed time required for recording financial transactions on the official records of the Agency. The reduction will average approximately 3 working days. This results in more accurate financial clearing of personnel resigning from the Agency and a resultant decrease in the work burden of attempting to collect monies owed the Agency by those no longer employed. This also made possible the elimination of certain subsidiary financial records which were being maintained in the Travel Section.

### 2. REDUCTION OF NOTICES ON DELINQUENT ACCOUNTS

The number of notices sent to the Area Divisions on each delinquent advance account was reduced from 4 to 2. This will not only decrease the work load involved but will bring delinquencies to the attention of the DD/S sixty days earlier.

## 3. CHANGE IN PROCEDURE: "RECORDS OF TRANSPORTATION FURNISHED" - STAFF AGENTS

Procedure was changed whereby it is not now necessary for an Operations and Liaison Branch certifying officer to approve these forms prior to their being processed for payment by the Travel Section. This will eliminate one step in the processing and expedite the payment of the carrier's invoice.

### 4. CHANGE IN PROCEDURE - "TRANSFER OF ACCOUNTS" FORM

A new procedure was established which will require the operations and Liaison Branch to process only those "Transfers of Accounts" which require certification. This will decrease by approximately 90% the number of "Transfers of Accounts" forms formerly processed by the Operations and Liaison Branch; will eliminate the logging of these in and out of the Branch; and will expedite their recording on the accounting records.

### 5. TRIAL REORGANIZATION OF TRAVEL SECTION

Three units were established: Domestic Audit Unit; Foreign Audit Unit; Processing and Control Unit. This type of organization permitted the elimination of various logging



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confidential control operations thereby releasing personnel for the primary function of auditing vouchers. Before the new units and procedures were in operation, a backlog of 15 to 20 days of auditing work existed. Travel vouchers are now being sudited for payment within 48 hours. This report formalizes the new organization.

## 6. CHANGE IN PROCEDURE - ELINIFATION OF SUBSIDIARY FINANCIAL RECORDS IN DEAVEL SECTION

Hand posted subsidiary financial records, which were being maintained in the Travel Section, were eliminated.

### 7. AMENDMENT OF PRESENT RECORDS DISPOSAL SCHEDULE

The disposal schedule was amended to permit the destruction of old pseudo cards. This will eliminate the maintenance of a file.

### 8. ELIMINATION OF INACTIVE ACCOUNTS PAYABLE FILE

The elimination of this file will allow personnel to expend more time on productive work.

### 9. CHARGE IN FUNCTION - POLLOW UP ON DELINQUENT ADVANCE ACCOUNTS

Fellow-up on all individual delinquent advance accounts was contralized in the Accounts Branch. Better administrative control should result.

#### 10. CHANGE IN PROCEDURES - PATROLL CHANGE NOTICES

The procedure for forwarding payroll change notices by Agent Services Section and the Payroll and Travel Branch to Machine Records Division was changed in order to spread the work load ever the last two weeks of each pay period instead of concentrating it at the end of the period. This should tend to decrease overtime.

### 11. CHANGE IN PROCEDURE - ADVANCE COPIES OF PROPERTY RECEIVING DOCUMENTS

The new procedure establishes Fiscal Division as the receiving office for these documents. It will eliminate their handling by the Accounts Branch, Finance Division, and expedite the payment of vendors' invoices.

#### 12. CHANGE IN LAYOUT - TRAVEL SECTION AND PAYROLL SECTION

A counter-type railing was erected in the Travel Section office; one person was designated to receive all hand-carried travel wouchers and answer all questions pertaining to their processing. By eliminating confusion, a more efficient operation

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should result.

Additional space was obtained for the Payroll Section. Fayroll units were relocated in order to improve working conditions of the personnel and thereby increase individual performance.

